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RV BUSINESS

INTEREST RATE BUY-DOWNS

Gambling With '87 Sales?

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The Hitch In The V-5 Standard

Automotive Innovations On The Horizon

South Bend Show Preview

RV BUSINESS

CONTENTS

INTEREST RATE BUY-DOWNS
Robert Longsdorf Jr.

This method may save the battle—and lose the war.

FLEETWOOD CREDIT CORPORATION
Vickie Elmer

Robert R. Baker, president of this brand-new finance company, details its capabilities and intentions.

HOW TO USE FORECASTS
Morton J. Marcus

Know the rules before you play the game.

FUTURE AUTOMOTIVES
Ellis Trantor

Once high-tech automotive innovations, disc brakes and radial tires are now common on today's RVs; the computerized, high-tech items of today—and the future—will trickle down the same way.

PONTIAC'S TRANS SPORT
Louise Ann Noeth

THE V-5 STANDARD
Brian Robertson

Is it needed? Is it wanted? Is it working? Is it time for something else?

BRAND NAME LOYALTY
Gaylord Maxwell

First-timers and seasonal buyers approach brand names differently; sales depend on recognition of that difference.

SAM STONE
Don Magary

An industry salute to this Super Salesman.

AD OF THE MONTH
Ben Sussman

Chrysler Electronics worked its wizardry to produce this Ad of the Month.

DEALER OF THE YEAR

This is the final call for nominations; entry deadline is August 1.

32ND ANNUAL MIDWEST MANUFACTURED HOUSING & RV SHOW

Calendar of events, floorplans, and manufacturer and supplier exhibitors are listed.

EDITORIAL
Michael Schneider

LETTERS

MAGARY
Don Magary

MAXWELL
Gaylord Maxwell

RV PEOPLE

PERSPECTIVE
Gaylord Maxwell

ASSOCIATIONS

SHIPMENTS

OERTLE
V. Lee Oertle

INDUSTRY NEWS
Olga Markowitz

PROFITMAKERS

CALENDAR

BACK PAGE
Sheryl Harris

ON THE COVER: Whether interest rate buy-downs truly help rake in the sales, or whether it's a big gamble with next year's sales, is still open to debate. You can bet, though, that industry members have definite opinions. See page 36. Photo: Paul Pribble. Coins: Courtesy of Conejo Valley Stamp & Coin Incorporated, Thousand Oaks, California.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	APRIL 1986	APRIL 1985	% CHANGE	1986	1985	% CHANGE	APRIL 1986	APRIL 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	119	134	−11	355	475	−25	102	91	+12	363	359	+ 1
TRAVEL TRAILERS	95	129	−26	366	355	+ 3	116	84	+38	285	271	+ 5
TRUCK CAMPERS	21	25	−16	68	61	+11	15	20	−25	44	51	−14
CAMPING TRAILERS	145	187	−22	543	530	+ 2	37	48	−23	110	120	− 8
FIFTH-WHEELS	23	36	−50	99	110	−10	10	11	− 9	28	36	−22

	FOR MONTH			YEAR-TO-DATE		
	APRIL '86	APRIL '85	% CHANGE	APRIL '86	APRIL '85	% CHANGE
SALES VOLUME	$10,310,065	$10,520,956	− 2	$32,884,863	$34,733,667	−5
TOTAL UNIT SALES	683	765	−11	2261	2361	−4
NEW UNIT SALES	403	511	−21	1431	1531	−7
USED UNIT SALES	280	254	+10	830	830	0

April might have brought gentle showers and beautiful flowers, but it wasn't overly kind to RV dealers. According to RVB's Dealer Advisory Board (DAB), dealers generally found sales harder to come by than they were last April and profits were on the weak side.

All five RV categories were down in new-unit sales. Motorhomes suffered the least, fifth-wheels the most. One of the few bright spots is in used-unit sales, which were up in two categories: motorhomes and travel trailers.

In dollar terms, the month's sales volume was down slightly and it is down for the year-to-date.

In a month when gas prices and interest rates were falling substantially, when most economic news was positive and foreign travel was less appealing, it seems incongruous that RV sales should decline. Yet it happened. Sixty percent of the DAB members report lot traffic low. Apparently, the factors that should be bringing hordes of lookers aren't working as well as they should.

The RV market picture is not grim; it is disappointing. It is hoped that the situation is temporary and that, before this appears in print, the potentially positive market factors will have brought about the long-awaited sales upsurge.

MOTORHOMES

The new-unit sales drop in April is largely attributable to significantly lower sales by three of the larger DAB dealers. Most dealers had sales comparable with those of last April; however, the 25 percent new-unit sales decreased for the DAB year-to-date (four months) and the fact that 63 percent of the motorhome dealers on the DAB are down for for that period are reason for some concern. Fair to poor profit ratings go along with the sales drop. Used motorhomes are selling very well—a condition that will probably continue. Even with very reduced interest rates, the payment on almost any new motorhome is huge. Used is the only way for many buyers. It is imperative that motorhome dealers become experts in obtaining and marketing used units.

TRAVEL TRAILERS

After an excellent start durihg the first quarter, this RV type took it on the chin in new-unit sales in April. Fourteen of the 19 travel-trailer dealers on the DAB were down from last April. Year-to-date, sales are still up slightly.

Profit ratings ranged all the way from poor to excellent, with almost 50 percent of the reporting dealers calling them good. It will be interesting to see if April was an exception or if the good first quarter was a fluke.

TRUCK CAMPERS

This type had also enjoyed a nice increase in new-unit sales. April changed the picture although the year-to-date increase is still the best of all types. Used-unit sales were down. Profit ratings were mixed.

FOLDING TRAILERS

Fold-downs joined travel trailers and truck campers in falling sales although much of the drop is attributable to a 50 percent decrease by a folding trailer specialist on the DAB. Most dealers of this RV type are close to last year's figures in the year-to-date column. Used sales were down both for the month and year-to-date. Profits were rated good by many dealers, but it is significant that five rated them poor.

FIFTH-WHEELS

The 50 percent new-unit sales drop for the month is impressive. Several of those dealers who have relatively strong fiver departments saw their sales halved in April. Year-to-date, the drop isn't nearly as dramatic. It seems that fifth-wheel sales aren't what they were. Used units were down slightly for the month. Profits were rated fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, APRIL

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during April 1986 was 138,000 units, down 3.6% from April 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in April 1986		April 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	6,900	7,800	−11.5%	21,900	22,700	− 3.5%
PARK MODELS	700	700	0%	2,600	2,300	+13.0%
FIFTH-WHEELS	2,500	2,300	+ 8.7%	8,400	7,300	+15.1%
TRUCK CAMPERS	800	900	−11.1%	2,400	2,500	− 4.0%
MULTI-USE VEHICLES	18,200	15,500	+17.4%	66,600	57,300	+16.2%
TYPE A: MOTOR-HOMES	3,300	3,600	− 8.3%	11,400	13,300	−14.3%
TYPE B: VAN CAMPERS	700	600	+16.7%	2,000	2,100	− 4.8%
TYPE C: MINI MOTOR-HOMES	2,900	3,200	− 9.4%	9,100	11,200	−18.8%
FOLDING CAMPING TRAILERS	3,700	4,000	− 7.5%	13,600	14,500	+ 6.2%
TOTALS	39,700	38,600	− 2.9%	138,000	133,200	+ 3.6%